

## TECHNICAL SESSION-7: DEBT MANAGEMENT AND SUSTAINABILITY

**Chair:** Prof. Dr. Muhammad Hassan, Director, Institute of Management Sciences, BZU, Multan

**Paper Title:** Debt a Threat to Economic Growth: An Evidence from Extreme Bound Analysis  
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**Abstract:** This research examines the relationship between public debt and economic growth, aiming to identify the threshold level of public debt to GDP at which Economic Growth becomes negative. The study utilises extreme bound analysis and finds that the threshold level of public debt to GDP, posing a risk to economic growth, is 69 percent, higher than previous studies. The use of dummy creation method helps to identify the optimal debt level. Thus, governments should exercise caution in letting public debt exceed 69 percent of GDP to sustain economic growth. These findings have significant implications for policymakers, offering insights into the public debt and economic growth relationship and guiding the development of effective debt management strategies.